2007–2008

Saskatchewan

Provincial Budget

Performance Plan

Saskatchewan Property Management

Minister's Message

As the Minister of Saskatchewan Property Management (SPM), it is my pleasure to present the Performance Plan for 2007-08.

This report reflects a continuation of the direction set in previous years and outlines our action plan for 2007-08. The strategies and actions identified support the achievement of our long-term goals – cost-effective, value-added service to government; sustainable property infrastructure; and, partnerships that benefit the government and communities of Saskatchewan.

Dramatic increase in construction costs presents significant challenges to the Department to maintain aging buildings and infrastructure and complete capital projects within resource limits. Saskatchewan Property Management will continue to focus its capital upgrading efforts on priority facilities such as the Regina Provincial Correctional Centre and Saskatchewan Disease Control Laboratory. The Department will also work closely with Justice to address long-term needs for courts, with Corrections and Public Safety to address correctional facility needs and facilities for young offenders, and with SIAST regarding long-term requirements for all SIAST campuses.

Voice over Internet Protocol (VoIP) is an emerging telecommunications technology that is expected to be adopted by most governments and corporations within the next five years. This technology essentially merges the telephone and the computer with the Internet, for a mobile and less expensive service. SPM has successfully installed VoIP technology in its Head Office within Century Plaza in Regina. For 2007-08, SPM plans to implement VoIP communications within government buildings in Regina.

Property Management will continue to perform a leadership role in the sustainable development of property infrastructure that reduces the impact of government operations on the environment. This work supports the Government of Saskatchewan's green strategy by reducing fossil fuel consumption, using wind power, and diverting waste from landfills into re-use and recycling programs. SPM also plans to increase the amount of green power it purchases to meet government's electricity requirements.

Property Management is responsible for purchasing goods and IT services on behalf of government departments. For 2007-08, the Department will encourage and support Aboriginal business participation in public sector procurement opportunities.

Property Management strives to provide the best property management and support services for best value to public agencies in Saskatchewan. I am confident that the Department can achieve success through the initiatives and actions identified in this plan. I look forward to that success and to providing a report on our progress toward these goals and objectives in the 2007-08 Annual Report.

Eldon Lautermilch
Minister of Property Management

Who We Are

Saskatchewan Property Management (SPM) provides property management and other support services to government departments, Crown corporations, boards, agencies and commissions. By providing centralized accommodation and support services, SPM achieves efficiencies and economies of scale while providing centralized expertise that allows clients to focus on their own areas of expertise. The mandate of the Department is to support public agency program delivery by providing best value for client requirements in the areas of accommodation, property management, furnishings and supplies, transportation, purchasing, risk management, records management, telecommunications and mail services.

Saskatchewan Property Management has a staff complement of 834.5 full-time equivalent employees. SPM recovers the costs of most of its departmental operations by charging clients for centralized accommodation, project management, transportation, and other government support services.

In carrying out its mandate, SPM provides the following services:

ACCOMMODATION SERVICES

SPM has responsibility for space in 782 buildings in 170 communities, as of April 1, 2006. These buildings cover an area of approximately one million square metres. Of these, 521 are owned by the government and have an estimated replacement value of $1.6 billion, while space in 261 buildings is leased. The space accommodates primarily programs of government departments and agencies.

SPM works with government departments and public agencies to respond to changes in accommodation needs reflecting changes in government programs or changes to the manner in which the programs are delivered. SPM provides accommodation planning, construction project management, building operation and maintenance, leasing, property purchase, and disposal.

TRANSPORTATION SERVICES

The Central Vehicle Agency (CVA) provides vehicles and fleet management services to a total of 455 different client groups, including government departments, some Crown corporations, and other publicly funded organizations. As at September 2006, the CVA fleet included 5,200 vehicles.

Air Ambulance Services provides aircraft transportation for emergency air evacuation of Saskatchewan residents under a contract with the Department of Health. SPM also provides air transportation for elected and senior government officials using its fleet of aircraft and through charters.

PURCHASING

SPM provides centralized procurement service for government departments and disposes of goods when they are no longer needed. Over $100 million in purchasing activity, including service contracts, purchase orders, standing offers and delegations, is conducted annually.

SPM co-ordinates the disposal of government surplus through public sales of vehicles and larger equipment, and through the Community Donations Program, that provides community-based non-profit organizations with free access to surplus government office furniture and equipment.

RISK MANAGEMENT AND SECURITY

The Department helps clients identify and manage corporate risks by providing services in: insurance acquisition, investigative services, environmental health and safety, security consulting and security systems. SPM provides guard force and card access systems, as well as photo identification services for government employees. In addition, SPM provides building check security services including responding to alarm and trouble calls.

RECORDS MANAGEMENT

SPM provides a secure central storage facility for storing government records until they are no longer useful and their disposal is authorized through Saskatchewan Archives or the appropriate authority. As of March 31, 2006, 134,199 boxes of government files were in storage, along with blueprints and other records. These files are accessible to clients and SPM provides quick turnaround of requests for retrieval of records in storage.

TELECOMMUNICATIONS

SPM co-ordinates and provides the strategic direction for telecommunication services for government. These services include: Community Net, telephone services including Voice over Internet Protocol (VoIP), Government e-mail System (GEMS), SaskTel directory Blue Pages, web-based government directory, web-hosting services and data service offerings. SPM acquires or provides these services on behalf of government departments and certain agencies.

MAIL SERVICES

SPM provides mail handling services for government departments, most government boards, commissions, corporations and authorized public agencies to achieve economies of scale through centralization of mail handling resources. Inter-office mail using re-usable envelopes is sorted and delivered between government offices. Postal mail is handled through 14 provincial centres and includes: metering of outgoing mail, addressing and stuffing mail, and obtaining volume discounts for parcel, priority courier and bulk mailings through Canada Post as well as the pick-up, sorting, and delivery of some postal mail.

OFFICE FURNISHINGS AND SUPPLIES

SPM provides office furnishings to government departments and public agencies. The service includes consultation, delivery, and installation of furniture. SPM also refurbishes furniture to extend its useful life.

The SPM stockroom provides approximately 1,000 commonly used office, paper, and janitorial products to government departments and public agencies. SPM purchases office and janitorial supplies in bulk, and resells these in smaller quantities to government clients in order to achieve savings for government.

Plan at a Glance

The 2007-08 Performance Plan for the Department of Property Management reflects a continuation of the direction set in the Performance Plan for 2006-07.

The Performance Plan will continue to evolve as Government priorities and our operating environment change over time. The Plan will progress as processes mature and as experience is gained by those involved in strategic planning, performance management, and public reporting.

The goals and objectives cover a multi-year period that will take time and focused effort to accomplish. This Performance Plan outlines the key actions SPM plans to implement in the 2007-08 fiscal year to progress towards those goals and objectives.

As part of the Saskatchewan public service, SPM and its employees are committed to provide leadership and excellence in public sector management and policy. We also are dedicated to delivering programs and services valued by the people of Saskatchewan. SPM has an important role to play in making sure that the Saskatchewan public service is the best it can be, and that it provides the best services possible to government departments and the people of Saskatchewan.

The Department will report on actual compared to planned progress at year end, in the 2007-08 Annual Report to be released in July 2008.

VISION

To provide the best property management and support services for best value to public agencies in Saskatchewan.

GOAL 1

Effective and value-added service

***OBJECTIVE 1** – Cost effective services for clients*

Performance Measures

- Price comparisons for SPM office space compared to the private sector
- Central Vehicle Agency pool price compared to Public Service Commission private vehicle usage rate
- Central Vehicle Agency pool price compared to market price

OBJECTIVE 2 – Enhanced client service delivery

Performance Measure

- Proportion of clients satisfied with services received for government support services, accommodation services, transportation services, and purchasing services

GOAL 2

Sustainable property infrastructure

OBJECTIVE 1 – Appropriate facilities and equipment for clients

Performance Measures

- Proportion of facilities meeting long-term client program needs
- Average annual distance traveled per government vehicle
- Vacancy rate for office space in Regina and Saskatoon

OBJECTIVE 2 – Affordable and sustainable infrastructure

Performance Measures

- Average condition of government buildings (Facility Condition Index)
- Average age of vehicles
- Average mileage on vehicles

OBJECTIVE 3 – Reduce the environmental impact of government operations

Performance Measure

- Energy conservation in key public buildings

GOAL 3

Partnerships that benefit government and communities

OBJECTIVE 1 – Facilitate economic development

Performance Measure

- Goods and information technology services sourced in Saskatchewan through SPM's Purchasing Branch

OBJECTIVE 2 – Constructive relationships with industry

Performance Measure

- Level of industry satisfaction when dealing with SPM's Purchasing Branch

Financial Overview

In providing accommodation and centralized support services to government departments and public agencies, SPM receives a portion of its funding directly from the General Revenue Fund. Most of the Department's revenue is generated by charging departments and public agencies through cost-recovery charges for specific services such as accommodation space, vehicles, mail services, office supplies, etc. Charging clients the full cost of services promotes good management since departments assume the financial consequences of their program decisions. It also promotes accountability by providing the public with a more complete picture of department program expenses.

The distribution of Department spending and recoveries from internal government clients and external clients (non-General Revenue Fund) is provided below.

2007-08	*(in thousands of dollars)*
Central Management and Services	$ 9,762
Allocated to services	(9,762)
	0
Accommodation Services	155,951
Recoveries from clients	(147,557)
	8,394
Project Management	55,423
Allocated to departments	(54,253)
	1,170
Purchasing	1,883
Transportation Services	45,287
Recoveries from clients	(45,287)
	0
Government Support Services	29,201
Recoveries from clients	(28,800)
	401
Major Capital Assets	28,756
Total Appropriation	$ 40,604
Capital Acquisitions	(28,756)
Amortization	0
Total Expenses	$ 11,848
Revenue	$ 0
FTE Staff Complement	834.5

An estimated $275.9 million will be recovered from internal and external clients. Central Management and Services expenses amounting to $9.76 million are allocated to individual service areas to ensure full cost-recovery is reflected in the prices charged for SPM services.

Saskatchewan Property Management typically prices its services on the basis of full cost-recovery. Following typical industry practices, administrative expenses of the Department (overhead costs) are distributed to service areas. Amortization expenses are budgeted and recovered as part of SPM's charges for clients.

The Estimates show both operating costs and recoveries from clients for services provided, as well as capital funding for vehicles, buildings and other capital investments. Funding for construction of a new Saskatchewan Disease Control Laboratory and the Regina Provincial Correctional Centre is provided for in the Department of Health and Corrections and Public Safety Estimates. SPM will report the work in progress on these projects under the Project Management sub-vote.

Trends and Issues

From its environmental scan, the Department has identified the following key strategic issues as priorities:

GREENING AGENDA

The wise use of non-renewable resources, and reducing the environmental impact of government activities is a clear priority. SPM is expected to provide leadership in energy efficient buildings and the use of green power, alternative-fuel and energy efficient vehicles, recycling and increased use of materials made from recycled material, use of wind power, and diversion of surplus and waste products from landfills.

Reducing the amount of natural gas and electricity used to heat and light buildings saves money and also reduces harmful emissions. By installing more efficient heating, cooling and lighting systems and by incorporating energy efficiency into the design of buildings prior to construction, the overall amount of energy usage can be reduced.

The Department has taken a number of steps to improve the efficiency of energy use and to reduce overall consumption of energy, including new building construction standards and energy performance retrofits. The Department continues to increase the amount of wind energy that it consumes. New construction projects should conform to new international standards for energy efficiency and low generation of construction waste.

As the availability and cost of alternative fuel vehicles that meet program needs improves, adding these types of vehicles to the government fleet will help reduce fuel consumption and greenhouse gas emissions.

AGING INFRASTRUCTURE

The value and condition of buildings change over time due to physical deterioration. All buildings require ongoing repair and maintenance to the exterior, mechanical, heating, cooling and water systems in order to keep them in good condition. In general, the cost of maintenance rises as the infrastructure ages. SPM has a process in place to regularly assess the condition of each facility, and a capital planning process that prioritizes projects within available funding. Once a building is upgraded, client lease costs are structured so that the building can be maintained at current standards.

Increased investment in SPM's capital renewal program has arrested the growth in liability for the government's aging building infrastructure. However, building construction costs in Saskatchewan have risen sharply – SPM has experienced price increases of 25 per cent over the previous year. This increase will put significant pressure on SPM's resources to be able to maintain its existing facilities without losing ground on their condition, and increasing the magnitude of deferred maintenance.

The age of the current fleet of aircraft is approaching the point where ongoing maintenance responsibility makes long term ownership of some older aircraft uneconomical when compared to replacement cost. SPM is addressing this issue with a replacement strategy for two of these aircraft that have much higher ratios of maintenance time to flight time than other models currently available.

RISK AND LIABILITY

Government assets need to be safeguarded. SPM has demonstrated long term economic benefits in managing risks and mitigating their consequences through to a balanced strategy of structured risk management and shared risk through insurance.

This approach has potential benefits elsewhere in government through the implementation of a more effective risk management strategy. The Department will work with central government agencies in developing and implementing a government-wide risk management strategy.

ACCESSIBILITY

People with physical disabilities can encounter obstacles when they access government buildings that were built prior to modern standards for accessibility. Providing better access to existing buildings often requires significant retrofitting. Accessibility requirements are incorporated into new building construction and major building upgrading at the planning stage. SPM is planning to improve accessibility in 10 government buildings in 2007-08.

EMERGING TECHNOLOGY

Voice over Internet Protocol (VoIP) is an emerging telecommunications technology that is expected to be adopted by most governments and corporations within the next five years. VoIP allows the use of a single network for both data and voice communications. Implementing VoIP can create savings for government and enhance public access to government services when compared to traditional telephone systems. SPM in conjunction with the Information Technology Office is working with SaskTel to implement VoIP communications within government offices in Regina in 2007-08, in Saskatoon and other major centers in 2008-09, and remaining government offices in 2009-10.

STRENGTHENING THE ECONOMY

The Government purchases a wide range of goods and services in order to provide programs and services throughout the province. Many of these goods and services are acquired through SPM's centralized procurement process. A strong and healthy private sector means that Saskatchewan businesses are better able to sell their goods and services to Government. However, suppliers also need to know about government requirements and government procurement processes in order to bid on tender opportunities. SPM plans to increase opportunities for clients and suppliers to provide feedback on procurement processes and their outcomes.

SPM is responding to supplier concerns about the cost and complexity of government procurement by making it easier and less expensive to do business with the Government through the www.SaskTenders.ca website and by hosting Purchasers' Showcase events.

SPM recognizes the importance of increased participation in the economy for Aboriginal persons and businesses. The Department will work with Aboriginal-owned businesses to overcome barriers to their participation in supplying goods and services to the Government of Saskatchewan.

Changes from 2006-07 Performance Plan

There are no changes to the Values, Vision, Mandate, Goals, and Objectives.

Key actions for 2007-08 reflect initiatives that the Department plans to implement to respond to current trends and issues and to continue to pursue its stated goals. Trendline information is provided for performance measures for the first time in the 2007-08 Performance Plan, which provides additional context and historical information for the reader.

Goals, Objectives, Actions and Measures

The following section provides details about where SPM is headed, what we will do to achieve our objectives through key actions for the upcoming year, and how the public will know if we are successful in achieving these objectives through defined performance measures.

A number of factors impact the Department's expenses and its performance results. The cost of goods sold, construction, labour and energy costs are key cost drivers in providing accommodation and support services. The Performance Plan and budget are based on forecast demand and cost of providing services. Unforeseen events could necessitate changing priorities, key actions and performance results such as the price comparisons to the private sector for office space and vehicles.

GOAL 1

Effective and value-added service

***OBJECTIVE 1** – Cost effective services for clients*

As a central service provider, the Department continually identifies opportunities to make its services more effective and efficient for executive government. In doing so, it is essential that SPM maintain positive relationships with clients, make the best use of technology, capture and pass through savings, managing the inherent risks involved, and examining the efficiency and effectiveness within the various business units. SPM is continuing to evaluate its services and service delivery models to determine if the organization is providing the right services, at an appropriate price.

Key Actions for 2007-08

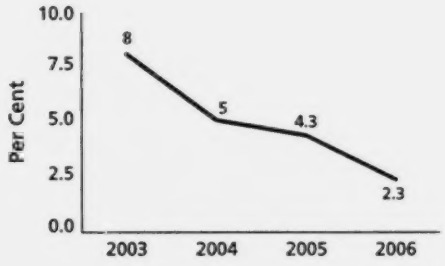
- Develop risk management policies and co-ordinate risk management activity across government.
- Expand the number of multi-function devices installed in government offices to replace stand-alone copiers, fax machines and printers.
- Undertake a business analysis of replacement options for the Department's vehicle fleet management system.
- Develop an electronic bulletin board to advise clients of SPM service delivery information and planned changes.

The performance measures reflect the cost effectiveness for the two most significant service areas provided by SPM to clients: accommodation services and vehicles.

What are we measuring?

Price comparisons for SPM office space compared to the private sector

Progress to date



SPM owns and leases space in buildings on behalf of Government. SPM in turn leases this space to individual government departments for their needs. The performance measure is intended to show the cost-effectiveness of centralized accommodation services provided to government departments and agencies by comparing the gross rental rate for office space in Regina and Saskatoon to the private sector.

These two areas are used for the baseline since they represent 70 per cent of SPM's total office building space, and comparative market office space information is readily available. Program space (e.g., space designed for a specific function – correctional facilities, courthouses) is excluded in this measure as the private industry does not typically lease program space that could be used for a comparison.

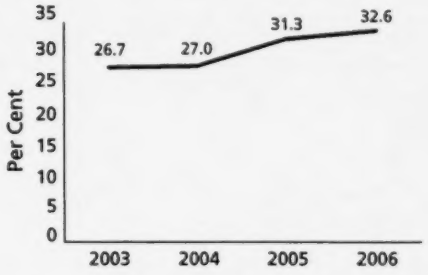
SPM's level of influence over this measure is high. SPM can influence the rates for office space by how and when it acquires accommodation, through quality specifications, timing of negotiations and Requests for Proposals, and build, buy, lease analysis decisions.

What are we measuring?

CVA pool price compared to Public Service Commission (PSC) private vehicle usage rate

Progress to date

The CVA price* below the PSC rate



* *Base rate for mid-sized vehicle, with a minimum distance of 100km per day.*

SPM acquires vehicles and rents them to government departments and other public agencies. By acquiring vehicles in large quantities and operating a central fleet of vehicles, SPM can pass through savings to clients. A pool of vehicles located throughout the province is available for short-term use. CVA charges a per-kilometre price to cover all fixed and operating costs of the vehicle. An alternative is to pay employees the private vehicle usage rate set by the PSC.

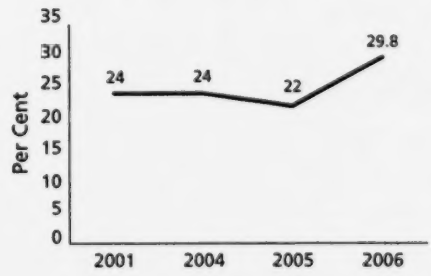
SPM's level of influence over this measure is high. SPM has significant influence over its prices for short-term vehicle usage; however, SPM has no influence over the PSC's private vehicle usage rate paid to employees.

What are we measuring?

CVA pool price compared to market

Progress to date

The average CVA pool price* below the average market price



* *Average price per kilometre for a mid-sized vehicle for variety of one to three-day trips.*

SPM acquires vehicles and rents them to government departments and other public agencies. By acquiring vehicles in large quantities and operating a central fleet of vehicles, SPM can pass through savings to clients. A pool of vehicles located throughout the province is available for short-term use. CVA charges a per-kilometre price to cover all fixed and operating costs of the vehicle. Another alternative for clients is to rent vehicles in the marketplace from private sector vehicle rental companies.

SPM has significant influence over its own prices; however, it has no influence over market prices. The comparison is based on an average of three rental company rates for a variety of one to three-day trips for a mid-sized vehicle.

OBJECTIVE 2 – Enhanced client service delivery

SPM provides centralized accommodation and support services to Government and public agencies. As such, we need to ensure that we provide a service delivery system that meets the needs of clients, including providing the right services in the most cost-effective manner possible.

SPM views technology as an essential support tool and the Department continually evaluates how to best use technology to provide value-added services.

Key Actions for 2007-08

- Survey client satisfaction in March 2008 with various SPM services.
- Implement changes to the Community Donations Program to distribute surplus government office items to community-based organizations.
- Enhance client access to and management of stored records with changes to records management software.
- Review surplus vehicle disposal activities to streamline the processes and achieving efficiencies.

What are we measuring?

Proportion of clients responding that they are very satisfied or satisfied with service received for government support services, accommodation services, transportation services, and purchasing services

Progress to date

	March 2006
Government Support Services	72.4%
Accommodation Services	65.8%
Transportation Services	83.8%
Purchasing Services	72.8%
Overall Rating	72.7%

SPM provides a wide variety of services and it is important that these services meet the needs of clients, provide value, and are delivered satisfactorily. A client survey is typically conducted to gauge satisfaction.

A total of 83 SPM clients were surveyed in March 2006 and 68 responses were received. Clients were asked a number of questions about each of the Department's programs to rate their satisfaction with SPM's service, value for money and needs met on a five point scale. The performance measure indicates the proportion of survey respondents that were either satisfied or very satisfied with SPM services, value for money and how well SPM has met their needs. The responses provide a level of accuracy of plus or minus 6.3 per cent, 95 times out of 100. The survey will be conducted on a bi-annual basis with the next one planned for March 2008.

The 2006 survey used a five point scale (very satisfied, satisfied, neither satisfied nor dissatisfied, dissatisfied, very dissatisfied). The survey was changed from the 2004 client survey that used a four point scale (very satisfied, satisfied, dissatisfied, very dissatisfied). This means that the results between the two client surveys are not directly comparable.

SPM has a high level of influence on this measure since the Department determines the nature, level, price and means of service it will provide in response to client needs.

GOAL 2

Sustainable property infrastructure

***OBJECTIVE 1** – Appropriate facilities and equipment for clients*

SPM is responsible for providing most of the facilities and vehicles required by government departments to deliver their various programs and services. This includes providing appropriate facilities and equipment for clients. The facilities also need to be adequately maintained in order for departments to continue to meet their long-term program requirements and the vehicles need to be kept in good working order to meet the needs of clients. As well, SPM is responsible for disposing of these assets when they are no longer required.

Key Actions for 2007-08

- Identify long-term program and space requirement needs in consultation with clients, including:
  - ~ Justice for court facilities in La Ronge, Meadow Lake, Melfort, Yorkton, and Lloydminster, as well as enhanced security in several court houses throughout the province.
  - ~ SIAST for long-term requirements for all campuses. Representatives from SPM, SIAST, and Advanced Education and Employment will work collaboratively on a Memorandum of Understanding (MOU) regarding provincial strategic planning for SIAST facilities.
  - ~ Corrections and Public Safety for all correctional facilities with emphasis on Saskatoon and Prince Albert adult facilities and for young offender facilities across the province.

- Implement Voice over Internet Protocol (VoIP) communications within government offices in Regina to achieve annual cost savings and to enhance public access to government services.
- Refine annually the list of core government facilities based on client needs in order to allocate limited capital and maintenance funding to priority facilities.
- Consult with clients to review vehicle requirements and identify number and type of vehicles required to meet client needs.
- Commission two aircraft to enhance air ambulance services for Saskatchewan residents.

What are we measuring?	**Progress to date**
Proportion of facilities meeting long-term client program needs	63.6% *[March 2006]* 80.4% *[March 2004]*

As the accommodation service provider, SPM's performance in meeting client needs, service, and value expectations should be assessed. A survey was sent to 83 clients with 62 replies received. Clients were asked to rate their satisfaction with their facilities in meeting their long-term program needs. The performance measure indicates the percentage of respondents that indicated that they agreed or agreed strongly with the statement, "SPM is able to meet our long-term program space needs." The survey will be conducted on a bi-annual basis with the next one planned for March 2008.

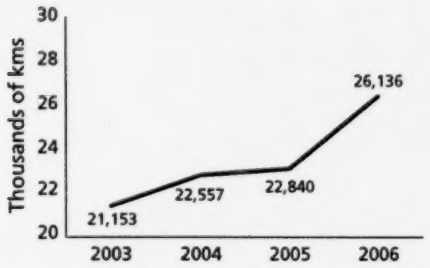
The 2006 survey used a five point scale that allowed clients to respond as being neither satisfied nor dissatisfied with the service or specific question. The survey was changed from the 2004 client survey that used a four point scale. This means that the results between the two client surveys are not directly comparable.

SPM has significant influence over this measure. SPM works with clients to establish expectations, and then attempts to deliver on those expectations. A small proportion of clients might indicate dissatisfaction with SPM services if SPM is unable to commit to meeting the expectations of those clients responding.

What are we measuring?

Average annual distance traveled per government vehicle

Progress to date



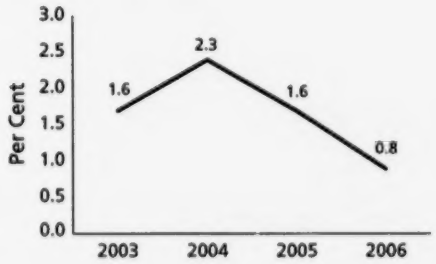
SPM provides a central fleet of vehicles for government departments to help them meet their program requirements. Each year, CVA reviews vehicle requirements with departments and other public agencies and acquires vehicles in response to departments needs. SPM also disposes of surplus vehicles. The average annual number of kilometres traveled per vehicle is an indication of the extent to which these vehicles are needed and used by departments. A low number of kilometres traveled per vehicle might suggest that Government vehicles are under-utilized, while a high number of kilometres traveled per vehicle might suggest that more vehicles are required.

SPM's influence over this measure is indirect. As a service provider, CVA is responsible for providing the various types of vehicles required by departments and other public agencies; however, the clients are responsible for the use of the vehicles. SPM's influence is through its price structure that provides a financial disincentive to under-utilization.

What are we measuring?

Vacancy rate for office space in Regina and Saskatoon

Progress to date



SPM is responsible for providing the office space required for government departments. This space is provided through a combination of government owned and leased buildings. While it is prudent to have some unused capacity to allow for periodic movement and changes of people and programs, SPM believes it is important to have a relatively low vacancy rate for office space since there is an ongoing cost for unused space.

SPM has significant influence over this performance measure. However, SPM has little influence over whether or not a government program continues to require space in any location.

This measure is designed to demonstrate the effectiveness of SPM in managing the space portfolio of government, in the context of changing requirements for the government agencies that SPM supports. Regina and Saskatoon are used for comparative purposes in establishing vacancy measurements because they collectively represent 70 per cent of SPM's total available office space.

OBJECTIVE 2 – Affordable and sustainable infrastructure

A key challenge is to maintain the 521 buildings owned by the Department in a state that ensures future viability. Limited capital spending over a long period has resulted in a backlog of maintenance and major capital upgrading of buildings. The Department is challenged to plan effectively for the future state of the infrastructure and to find better ways to achieve sustainable asset management.

SPM's strategy is to concentrate expenditures on targeted core facilities that are occupied by high priority programs and which will be viable for the long-term based on facility condition, function, and use. Funding for the remaining facilities will be allocated based on occupant safety and high priority regulatory codes.

Key Actions for 2007-08

- Update the capital plan for spending in core facilities based on SPM's priority rating system. Major capital and maintenance projects include work in the following facilities:
  - Regina – Cooper Place – mechanical and electrical upgrades, renovations and repairs
  - Regina – Walter Scott Building – mechanical and electrical upgrades
  - Regina – T.C. Douglas Building – mechanical upgrades
  - Prince Albert – L.F. McIntosh Building – upgrade to 12th floor
  - Saskatoon – Calder Centre – address environmental deficiencies
  - Moose Jaw – SIAST Palliser Campus – several minor projects
  - Wynyard – Court House – install elevator
  - Swift Current – E.I. Wood Building – fire code upgrades
  - La Ronge – Mistasinihk Place – update architectural elements and floorplates
  - North Battleford – Kramer Place – renovate second floor
- Participate in an interdepartment committee to co-ordinate government capital planning and to make the government's capital procurement processes more efficient.

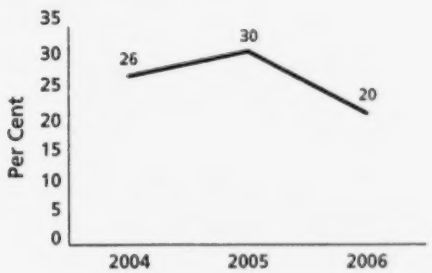
- Upgrade accessibility in 10 government buildings at an estimated cost of $2.1 million, including:
  - ~ L.F. McIntosh Building, Prince Albert
  - ~ Cooper Place, Regina
  - ~ Wascana Centre Infrastructure, Regina
  - ~ Mistasinihk Place, La Ronge
  - ~ 515 Henderson Drive, Regina
  - ~ Northlands College, Buffalo Narrows
  - ~ Woodlands Campus, Prince Albert
  - ~ Kramer Place, North Battleford
  - ~ Saskatoon Provincial Correctional Centre, Saskatoon
  - ~ Courthouse, Wynyard
- Implement pricing for life-cycle costs for new and re-lifed facilities: Regina – Dunning Place; Carlyle – Equipment Storage Building; and Prince Albert – Mobile Hospital Storage.

The performance measures cover the two most significant service areas provided by SPM to clients: accommodation and vehicles.

What are we measuring?

Average condition of government buildings (Facility Condition Index)

Progress to date



To keep buildings in a good state of repair to meet government program requirements, and to protect people and the investment in government assets, SPM continually measures the condition of the inventory of buildings for which it is responsible. The industry measurement for facility condition is the Facility Condition Index (FCI), which represents the proportion of deferred maintenance compared to the value of the facility. The lower the FCI, the better the condition of a facility; the higher it is, the greater chance the facility is showing signs of deterioration. A lower FCI is also a general indication of a lower deferred maintenance backlog.

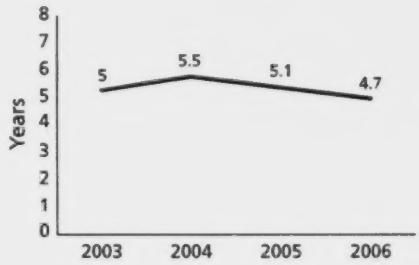
SPM has undertaken a program of site and building inspections to validate or re-estimate deferred maintenance values in its portfolio of buildings. The use of more accurate costing of future work through the inspection program has reduced the estimate of deferred maintenance and resulted in a recalculation of the Facility Condition Index compared to previous years.

SPM has significant influence over this measure. SPM sets priorities for expenditure of capital and maintenance funding, however government determines the total amount of capital and maintenance funding available for government buildings.

What are we measuring?

Average age of vehicles

Progress to date



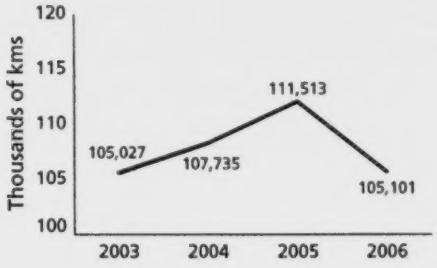
SPM provides a central fleet of vehicles for government departments and other public agencies to meet their program requirements. Each year, SPM acquires additional vehicles in response to client needs and also disposes of surplus vehicles. The average age of vehicles is an indication of the overall condition and sustainability of the Government's fleet of vehicles and the need for replacement.

SPM has a moderate level of influence over this measure. Government determines the amount of funding SPM has available to acquire vehicles. Each year, SPM surveys clients to ascertain their upcoming vehicle requirements, including the number and type of vehicles. SPM also sets guidelines for replacement of vehicles; however, the decision whether to retain or replace a particular vehicle once it exceeds the replacement guideline rests with departments and other public agency clients. SPM's pricing structure provides a financial incentive to clients that retain vehicles to the end of their economic life.

What are we measuring?

Average mileage on vehicles

Progress to date



SPM provides a central fleet of vehicles for government departments and other public agencies to meet their program requirements. Each year, it acquires additional vehicles in response to clients' needs and disposes of surplus vehicles. The average mileage of vehicles is an indication of the overall condition and sustainability of the Government's fleet of vehicles and the need for replacement.

SPM has a moderate level of influence over this measure. Government determines the amount of funding SPM has available to acquire vehicles on behalf of Government. Each year, SPM surveys clients to ascertain their upcoming vehicle requirements, including the number and type of vehicles. SPM also sets guidelines for replacement of vehicles; however, the decision whether to retain or replace a particular vehicle once it exceeds the replacement guideline rests with departments and other public agency clients.

In recent years, vehicle manufacturers have improved vehicle durability significantly, resulting in longer vehicle economic life. SPM's pricing structure provides a financial incentive to clients that retain vehicles to the end of their economic life.

***OBJECTIVE 3** – Reduce the environmental impact of government operations*

SPM has a leadership role in the wise use of non-renewable energy, and in promoting initiatives that will reduce or minimize the impact of the operations of government on the environment. SPM will continue to improve its building facilities to lower their energy consumption and to reduce environmental impact by diverting waste from landfills.

SPM manages its portfolio of public buildings to ensure that they are energy efficient while providing a safe, healthy environment for government to conduct its business.

Key Actions for 2007-08

- Upgrade key government facilities to achieve an overall decrease in energy consumption of 20 per cent per year.
- Upgrade energy efficiency of five government facilities in 2007-08.
- Purchase 30 million kWhs of green energy (wind generated electricity) which represents approximately 36 per cent of the electrical energy purchase for executive government, at a cost of $640,000.
- Purchase hybrid and alternative fuel vehicles that meet client vehicle requirements to achieve reduced fuel consumption and lower greenhouse gas emissions.
- Obtain Leadership in Energy and Environmental Design (LEED) certification for Century Plaza and the Regina Provincial Correctional Centre 1913 replacement project, and design the Saskatchewan Disease Control Laboratory to meet LEED certification.
- Plan and design new courthouses in La Ronge and Meadow Lake to meet the LEED standard.

What are we measuring?	**Progress to date**
Energy conservation in key public buildings	20% reduction in annual energy consumption following upgrading and implementation of energy conservation initiatives *[October 2006]*

SPM manages its portfolio of public buildings to ensure that they are energy efficient while providing a safe, healthy environment for government to conduct its business.

SPM has a high level of influence over this measure. SPM sets priorities for capital upgrading and renovation expenses, and determines what work must be done to maintain its facilities. By exceeding new international standards for energy consumption and environmental design, SPM can significantly reduce the energy consumption of its facilities, and reduce the environmental impact of their operations through the entire building life-cycle.

GOAL 3

Partnerships that benefit government and communities

***OBJECTIVE 1** – Facilitate economic development*

As Government's procurement agent, SPM is responsible for obtaining goods and information technology services on behalf of government departments using a fair, open and competitive process. Procurement through SPM's Purchasing Branch can be an effective tool in furthering provincial economic activity by developing policies and processes to make it easier and less expensive to do business with Government, and by educating local suppliers about Government's procurement processes. SPM optimizes the economic benefits from government procurement activity by obtaining the best value and by seeing local suppliers provide a high proportion of the value of goods and services used by the provincial government.

Measuring the proportion of goods and IT services sourced from Saskatchewan suppliers reflects a significant aspect of the Department's involvement in support of economic development activity; however, our involvement in major project initiatives and their resulting impact on economic activity and jobs is not captured by the current measure.

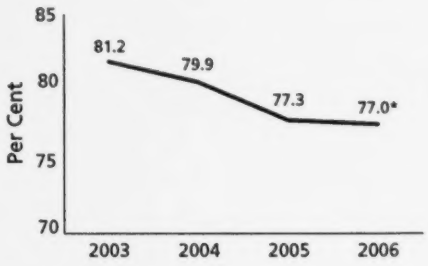
Key Actions for 2007-08

- Implement an Aboriginal procurement policy to encourage Aboriginal-owned businesses to bid on government tender opportunities.
- Promote increased recycling of paper and returnable containers within government buildings and install more recycling bins in government facilities.

What are we measuring?

Goods and information technology services sourced in Saskatchewan through SPM's Purchasing Branch

Progress to date



* *Excludes the contract for the purchase of four tanker aircraft for the Department of Environment, as this was a one-time large purchase of goods not available in Saskatchewan. Inclusion of this purchase would reduce the proportion of goods and IT services sourced in Saskatchewan to 71.1% for the three years leading up to March 31, 2006.*

SPM is the Government's procurement agent and is responsible for obtaining goods and information technology services on behalf of government departments using a fair, open and competitive process. Procurement can be an effective tool in furthering provincial economic activity.

SPM has limited influence over this measure. SPM establishes the procurement process to obtain best value for Government and it can also encourage client departments to support Saskatchewan suppliers. SPM can assist suppliers by educating them about government procurement processes and by making it easier and less expensive for suppliers to obtain information about procurement opportunities. SPM has no influence over the competitiveness of Saskatchewan suppliers, and many competitions are conducted under the terms of the Agreement on Internal Trade.

OBJECTIVE 2 – Constructive relationships with industry

SPM works closely with the construction industry to build government facilities, and with the supplier community to provide the goods and services needed by Government. A good working relationship where we know and understand these groups makes it easier for SPM to do its job to obtain the best value for its clients.

In addition to working with clients to ensure that the goods and services required are obtained at the best value and in a timely manner, it is also important that the supplier community have confidence in the procurement process and that suppliers have open access to Government tender opportunities.

The performance measure addresses the relationship with the suppliers; however, it does not cover the relationship with the construction and real estate industries. Further research on additional performance measures to address this gap is required.

Key Actions for 2007-08

- Enhance open, fair, competitive and transparent tendering for services by providing government departments with guidelines and templates for departments to use in contracting for services or in preparing requests for proposals.
- Develop and implement electronic bid submissions for government tenders for goods and IT services conducted by the Purchasing Branch.

What are we measuring?	Progress to date
Level of industry satisfaction when dealing with SPM's Purchasing Branch	92.6% *[December 2004]* *[Note: The next survey is tentatively scheduled for spring 2007]*

As the agency responsible for government procurement, SPM conducts open, fair, and competitive processes to obtain goods and IT services on behalf of government departments. SPM has a responsibility to ensure that suppliers have confidence in the procurement process. A supplier survey is used to measure supplier satisfaction with SPM's procurement process conducted on behalf of government. A survey was distributed to 3,281 suppliers with 487 replies, or 14.8 per cent response rate. Suppliers were asked to use a four point rating scale (very satisfied, satisfied, dissatisfied and very dissatisfied) to rate their dealings with SPM Purchasing Branch for 13 questions. The performance measure indicates the percentage either satisfied or very satisfied when dealing with SPM Purchasing Branch. The survey will be conducted on a bi-annual basis with the next one planned for spring 2007.

For More Information

Additional information is available from the following sources:

For general information about Saskatchewan Property Management, SPM's website is:
http://www.spm.gov.sk.ca/

For feedback on this performance plan or for information on SPM's programs and services:
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